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BY ________________

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. CHRISTOPHER HARATI, aka "Christopher Doyle," and ATHENA MALDONADO, aka "Annabelle Giannetti," aka "Marie Ortiz," aka "Tina Salazar," Defendants.	No. CR 15- SACR15-00041 I N F O R M A T I O N [18 U.S.C. § 371: Conspiracy to Commit Wire Fraud]

The United States Attorney charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At various times relevant to this Information:

1. Defendants CHRISTOPHER HARATI, also known as ("aka") "Christopher Doyle" ("defendant HARATI"), and ATHENA MALDONADO, aka "Annabelle Giannetti," aka "Marie Ortiz," aka "Tina Salazar" ("defendant MALDONADO"), and others known and unknown to the United States Attorney, offered purported debt relief services under the

name Nelson Gamble & Associates LLC, and later, Jackson Hunter Morris & Knight LLP (collectively referred to as the "Debt Relief Companies"). The Debt Relief Companies operated in Orange County, in the Central District of California.

2. The defendants and their co-conspirators portrayed the Debt Relief Companies as law firms and attorney-based companies that would negotiate favorable debt settlements with creditors on behalf of clients. Clients made monthly payments to the Debt Relief Companies expecting the money to go toward settlements, but the defendants and their co-conspirators instead took the first six months of payments as undisclosed up-front fees.

3. From in or around November 2010 to in or around January 2012, defendant HARATI was first a salesman and later a Client Relations Manager and Operations Manager for the Debt Relief Companies.

4. From in or around January 2011 to in or around September 2012, defendant MALDONADO was first a secretary and later handled legal inquiries and complaints for the Debt Relief Companies. At various times, MALDONADO held herself out as the Vice President of the Legal Department, a Senior Paralegal, a Supervising Paralegal, and the Legal Operations Cessation Director for the Debt Relief Companies.

5. Nelson Gamble & Associates LLC ("Nelson Gamble") was a Colorado corporation with its principal place of business at 30221 Aventura, Second Floor, Rancho Santa Margarita, California. Nelson Gamble operated from in or around February 2010 until in or around September 2011.

6. Jackson Hunter Morris & Knight LLP ("Jackson Hunter") was a Nevada corporation with its principal place of business at 30221 Aventura, Second Floor, Rancho Santa Margarita, California, from in or around September 2011 to in or around March 2012, and 8001 Irvine Center Drive, Suite 940, Irvine, California, from in or around March 2012 to in or around September, 2012.

B. THE OBJECTS OF THE CONSPIRACY

7. From in or around November 2010 to in or around September 2012, in Orange County, within the Central District of California, and elsewhere, defendants HARATI and MALDONADO, and others known and unknown to the United States Attorney, did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with others, known and unknown to the United States Attorney, to commit offenses against the United States, that is, to knowingly and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and transmitting and causing to be transmitted certain wire communications in interstate and foreign commerce, for the purpose of executing the scheme and artifice, in violation of Title 18, United States Code, Section 1343.

8. It was the purpose of the conspiracy for the defendants and their co-conspirators to defraud consumers by: (a) soliciting consumers who owed high amounts of unsecured credit card and other debt; (b) offering to settle the consumers' debts for 50 percent or less of the original debt amount; (c) making false and fraudulent

representations about the nature and professional experience of the Debt Relief Companies; (d) making false and fraudulent representations and failing to disclose material facts about the fees consumers paid for the debt relief service; and (e) failing to settle the debts of most of the clients who signed up for the debt relief service, instead diverting the fraudulently obtained proceeds for the conspirators' personal use and benefit and to further the fraudulent scheme.

C. MANNER AND MEANS OF THE CONSPIRACY

9. The objects of the conspiracy were to be accomplished in substance as follows:

a. The Debt Relief Companies advertised their services on the Internet and through telemarketing campaigns. In calls with potential clients, the defendants' co-conspirators told potential clients that the Debt Relief Companies would negotiate settlements with creditors on behalf of clients. At times during the conspiracy, the co-conspirators led prospective clients to believe that the Debt Relief Companies were law firms and worked with attorneys, and that the only up-front fee for the companies' services was an "enrollment fee" of approximately $200. Unbeknownst to these clients, the companies did not employ attorneys and charged fees equal to at least 15 percent of the debt clients enrolled in the program, with a large portion of those fees paid up front. For example, a client with $10,000 in debt would be charged at least $1,500 in "setup" fees, along with additional monthly fees. At times, customers who specifically asked were told about a 15 percent fee, but the defendants and their co-conspirators did not disclose that in most cases the first six monthly payments would go almost entirely toward up-front fees.

b. Clients who enrolled in the program received a "Welcome Call," during which clients verified bank information and verbally approved monthly payments to be drafted from their personal bank accounts. Defendant HARATI and others in the "client relations" department usually made the welcome calls. As with sales calls, clients generally were not told about the up-front fees during welcome calls.

c. The co-conspirators arranged for escrow accounts to draft and hold the clients' payments. Each month, the Debt Relief Companies caused payments to be electronically transferred from clients' personal bank accounts into the escrow accounts. Soon thereafter, the co-conspirators debited from the escrow accounts the undisclosed up-front fees.

d. Clients who discovered the balances in their escrow accounts were much lower than expected frequently called the Debt Relief Companies to inquire about their money. Client relations employees at the Debt Relief Companies reassured clients that the money was still available even though it did not appear on account statements.

e. Clients frequently contacted the Debt Relief Companies to complain about the lack of progress in negotiating settlements. Defendant HARATI and other client relations employees told clients that the Debt Relief Companies were making progress. In fact, company representatives rarely attempted negotiations during the first six months of a client's enrollment because the client's money was diverted to fees and no money was available for settlements. During that time, creditors sometimes took the clients to court, attempted to garnish clients' wages, added interest fees and other charges on top of the clients' debts, and reported delinquencies to the clients' credit bureaus.

f. If a client asked to cancel the program and receive a refund, defendant HARATI and others in the client relations department said the request would be forwarded to a "review board" for 60 to 90 days. Following the review period, client relations employees told clients the refund request had been denied.

g. Defendant MALDONADO acted as the "legal department" for the Debt Relief Companies, responding to complaints submitted by state attorney general offices, the Better Business Bureau, and private attorneys.

h. In or around September 2011, in response to client complaints and refund requests, the defendants' co-conspirators changed the name of the operation from Nelson Gamble to Jackson Hunter. Beginning in or around October 2011, the defendants and their co-conspirators told clients Nelson Gamble had gone bankrupt, and Jackson Hunter was an unrelated company that had purchased the right to service some of Nelson Gamble's clients. At times following the name change, the defendants and their co-conspirators told clients Nelson Gamble had charged its clients up-front fees, and Jackson Hunter could not refund money paid by clients to a different company. Defendant HARATI and other customer service representatives assured clients that Jackson Hunter was a more experienced and better-run company that would settle clients' debts as promised. Some clients continued to make payments to the "new" company. Other clients who previously demanded refunds accepted the explanation that Nelson Gamble was bankrupt and did not pursue complaints against Jackson Hunter.

10. To fraudulently induce consumers to enroll in the debt relief services program, defendants HARATI and MALDONADO and their co-conspirators provided and made, and caused others to provide and make, materially false statements, and omitted and concealed, and caused others to omit and conceal, material facts, including, among other things, the following:

Materially False Statements

a. That the Debt Relief Companies were law firms and had attorneys working on their behalf;

b. That the Debt Relief Companies charged no up-front fees other than an enrollment fee of approximately $200;

c. That Nelson Gamble had settled more than $90 million of debt in the past 12 months and more than $800 million since the company's inception, and that Jackson Hunter had more than $1 billion of debt under management;

d. That Jackson Hunter's attorneys had been featured on Fox News, CBS, ABC, MSNBC, NBC, ESPN, and Fox;

e. That Nelson Gamble employed "certified" debt negotiators and Jackson Hunter employed expert account negotiators who formulated customized programs to eliminate clients' debts;

f. That Jackson Hunter settled debts for clients prior to its incorporation in September 2011;

g. That Nelson Gamble had gone bankrupt, and that Jackson Hunter was an unrelated, separate entity which had purchased Nelson Gamble's client files;

Omission/Concealment of Material Facts

h. That the first six months of payments made to Nelson Gamble and Jackson Hunter went toward up-front fees and not toward settlements with creditors;

i. That the same individual owned and operated both Nelson Gamble and Jackson Hunter; and

j. That the Debt Relief Companies received many complaints from existing clients regarding the lack of progress in negotiating debts and low balances in client escrow accounts.

D. OVERT ACTS

11. In furtherance of the conspiracy and to accomplish the objects of the conspiracy, defendants HARATI and MALDONADO and their co-conspirators committed, and caused to be committed, within the Central District of California, at least one of the following overt acts, among others:

OVERT ACT 1: On or about October 27, 2011, defendant HARATI spoke by telephone from Orange County to victim S.D., a Nelson Gamble customer, in Ohio. During the call, defendant HARATI falsely said Jackson Hunter was a large law firm with capital reserves and years of experience, that individuals named Jackson, Hunter, Morris, and Knight were the four partners in the law firm, and that Jackson Hunter could not refund money paid to Nelson Gamble.

OVERT ACT 2: On or about August 14, 2012, defendant MALDONADO faxed, from Orange County to the New York attorney general's office in New York, a letter regarding a complaint by victim J.G. In that letter, defendant MALDONADO, using the alias "Annabelle Giannetti," falsely represented that Jackson Hunter was not responsible for any money victim J.G. paid to Nelson Gamble because Jackson Hunter had no direct affiliation or business relationship with Nelson Gamble.

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